

## NON-FEDERAL SHARE – IN-KIND

### “WHAT IS IT AND WHY DO WE CARE?”

#### **Overview of Requirements:**

The Head Start Act stipulates that the Federal share of the total costs of the Head Start program will not exceed 80% of the total grantee budget unless a waiver has been granted. Federal sources for requirements include:

Head Start Act – 42 USC Chapter 105, Subchapter 9835

Head Start Program Regulations – 45 CFR 1301.20

Health & Human Services Administrative Regulations – 45 CFR 45 CFR 92.24

#### **What Is It?**

Each year, as a grantee agency, Jefferson County Child Development Council, Inc. (JCCDC) submits a budget for Non-Federal Share (aka In-Kind) along with the budget for Federal funds. Non-Federal share must meet the same criteria for allowability as other costs incurred and paid with Federal funds.

#### **Computing**

Federal \$'s	=	\$1,000,000	=	80%
Non-Federal \$'s	=	\$ 250,000	=	20%
Total Funding	=	\$1,250,000	=	100%

20% of Total Funding OR 25% of Federal Funding

In other words... for every \$1 spent of Federal Funds, JCCDC must have \$0.25 in Non-Federal Match.

#### **Criteria for Acceptable In-Kind**

- Is verifiable through adequate documentation
- Is not included as a cost of match to any other federally funded program
- Is necessary and reasonable for accomplishment of program objectives approved in grant
- Is provided for in the approved component plan/budget (grant)

Non-Federal share represents contributions that are “*reasonable and necessary*” to a Head Start program. Non-Federal contributions may be in Cash or In-Kind. “In-Kind” is described as anything given to Head Start that would normally be paid for and is an allowable expense; such as donated time, materials, services, space, etc. Non-federal in-kind is no different than costs charged to the Federal share of cost.

Examples include, but are not limited to:

Transportation Time: Transportation of child(ren) to and from the HSFCC Home previously was the primary source of In-Kind for the Head Start Family Child Care Program. Since 2007, this transportation has not been allowable.

HSFCC/EHS Home Volunteers: Time volunteered in the classroom setting, outdoor play, field trips, etc. This time should be documented *by the volunteers* on the Volunteer Hours Form and sent to the JCCDC Financial Officer monthly.

Work at Home: Time volunteered by parents/guardians, other family members, friends for activities. Education curriculum "Take-Home Activities" are the largest source in this category. Others may include making crafts and assisting with curriculum activities.

Field Trips: Helping supervise children, activities, etc. on a field trip.

Meetings: Parent meetings, Parent Representative meetings, Policy Council, and Executive Board, etc. Meetings must be supported by meeting agenda and qualifying time. (Record travel, preparation and meeting time, as well as mileage.)

Consultants/Professionals: Services may be donated or at a reduced fee for Head Start. If the donation is a reduced fee, the In-Kind will be difference between the "normal" fee and the "reduced" fee. (Record travel, preparation and meeting time, as well as mileage.)

Goods: All materials donated directly to Head Start that offset normal operating expense.

Space: Buildings or space donated for trainings, meetings, special events either free or at a reduced rate for Head Start. The space used by HSFCC/EHS Providers for providing Head Start services is a calculated every three years from an analysis prepared by an independent Certified Appraiser (required by federal regulations since 1995). This is the second largest source of In-Kind.

The JCCDC In-Kind Form is typically used to document most types of goods and services donated to Head Start. These forms should be donated to the JCCDC Financial Officer as soon as the contribution is made. The Financial Officer has the responsibility for determining the allowability and maintaining the documentation for Non-Federal Share.

### **Why Do We Care?**

Documentation of In-Kind validates parent and community involvement in the HSFCC Program (also as required by Head Start Performance Standards). Also, federal regulations mandate that Head Start dollars must be the "dollars of last resort."

If JCCDC fails to obtain and document the required 20%, or other approved match, a disallowance of Federal funds may be taken. If a cost is determined during an audit or other review conducted by the funding agency to be unallowable, it may require subsequent repayment to the Head Start Bureau.

***All JCCDC Staff and HSFCC Providers are responsible for the use and documentation of In-Kind.***

***Contact the JCCDC Financial Officer should you need any clarification  
or have any questions concerning In-Kind.***